

# AMG Europe

Report as of November 30, 2017

## Review November

After a strong performance in the preceding month, the European stock markets underwent a slight correction in November. The AMG Europe lost 2.5%, while the STOXX 600 index dropped 1.8%. Having gained 16.4% since the beginning of the year, the fund has outperformed the index by 9.4%, with the index advancing 7.4% since the beginning of the year. We are retaining the fund's cautious positioning.

The nine-month figures presented by **VTG** were well within the expected range. However, the share was shaken by the fact that the completion of the takeover of the Nacco Group has been postponed to Q1 2018 due to the transaction's antitrust investigation. As a result, no income from the acquisition can be posted in 2017. However, since the costs of the takeover must be recognised in the full year 2017, EBIT is now expected to close this year at the lower end of the projected range. Given the fact that Nacco is active in different segments of the tank car business, the antitrust authorities are expected to approve the takeover per se. The share continues to be supported by the company's business model, which has a solid history and is capable of weathering slowdown phases. At EUR 873.9m, the German IT company **Bechtle** recorded a 20% rise in 3<sup>rd</sup> quarter turnover – a significantly larger increase than expected. Pre-tax profit went up 16% to EUR 42.2m, while the EBT margin was slightly below the previous year's figure at 4.8%. Both enterprise segments contributed to this positive result. Bechtle succeeded in expanding its market share thanks to its size and its positioning in a structurally growing IT market. The outlook for the full year 2017 was raised slightly in the context of the publication of the 3<sup>rd</sup> quarter figures. **Jungheinrich** presented strong turnover growth and a positive order book, guaranteeing visibility in the coming months. **Fresenius** suffered a price drop which was caused by the delay in the Akorn takeover which is now unlikely to take place before next year. In addition, Akorn failed to deliver a convincing Q3 2017 result. However, Fresenius' objectives in taking over Akorn do not focus on the latter's current products but instead on its product pipeline as well as improved access to the retail sector via Akorn's distribution network. This intention and the associated potential are still a given and are independent of the published quarterly results. The truck axle manufacturer **SAF-HOLLAND** is benefiting from accelerated growth on the US truck market as well as solid growth in Europe and the Asia-Pacific region. Thanks to new regulations in China, which require trucks to approach western standards by the end of 2018, demand for the technologically complex SAF-Holland products is likely to rise. Given this background, the share has a decent valuation with an expected 2018 P/E of 12.9x and an expected 2018 P/B of 2.0x. The 2.6% dividend yield is also attractive.

## Key Figures

<b>Net Asset Value per Share (Tranche A):</b>	<b>EUR 144.55</b>
Number of Shares Issued:	421'625
<b>Net Asset Value per Share (Tranche B):</b>	<b>EUR 139.49</b>
Number of Shares Issued:	31'448
<b>Net Asset Value per Share (Tranche C, CHF hedged):</b>	<b>CHF 154.58</b>
Number of Shares Issued:	213'981
Total Net Asset Value:	EUR 94.2 mn

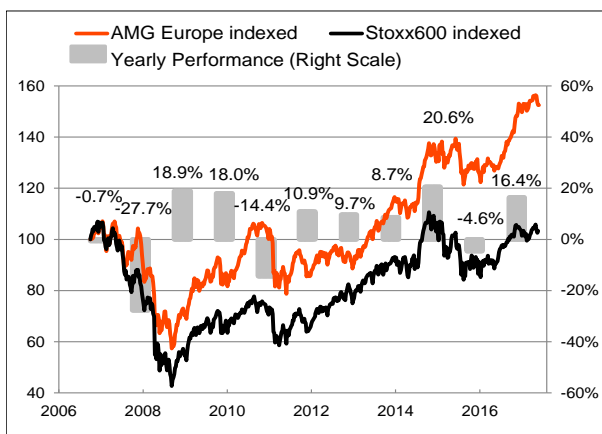
## Performance - Tranche A

### since inception 01.04.2007 (Distributions included)

	1 Mt	3 Mt	12 Mt	3 Years*	5 Years*	since inception
Fund	-2.5%	0.2%	19.3%	10.4%	10.4%	4.0%
Stoxx600	-1.8%	3.4%	13.1%	3.7%	7.0%	0.3%

\*p.a.

	2017	2016	2015	2014	2013	since inception
Fund	16.4%	-4.6%	20.6%	8.7%	9.7%	52.7%
Stoxx600	7.0%	-1.2%	6.8%	4.4%	17.4%	3.3%



Please find the detailed performance overview under [www.amg.ch](http://www.amg.ch)

## Risk Ratios (rolling over the last 3 Years)

Volatility (p.a.):	10.05%
Sharpe Ratio (-0.20% Risk Free Rate)	1.03
Beta (vs. Stoxx 600)	0.52

## Facts

Domicile of Fund:	Switzerland
Fund Management Company:	LB(Swiss) Investment AG, Zürich
Custodian Bank:	Frankfurter Bankgesellschaft, Zurich
Investment Manager:	AMG Fondsverwaltung AG, Zug Birgit Heim, Patrick Hofer
Launch date:	01.04.2007
Tranche A (ISIN, Swiss Sec. No.):	CH0027940730, 2794073
Distributions:	Dividend & Capital Gain distributing
Tranche B (ISIN, Swiss Sec. No.):	CH0048476664, 4847666
Distributions:	Dividend distributing only
Tranche C (ISIN, Swiss Sec. No.), CHF hedged:	CH0297417534, 27941753
Distributions:	Dividend & Capital Gain distributing
Subscription/Redemption:	Daily / no fees
Performance Fee:	None
Management Fee:	1.0% Tranche A & C; 1.5% Tranche B
TER (Total Expense Ratio) as of 30.06.2017:	1.31% Tranche A; 1.81% Tranche B 1.31% Tranche C / CHF hedged
Tax transparency:	Switzerland, Germany, Austria
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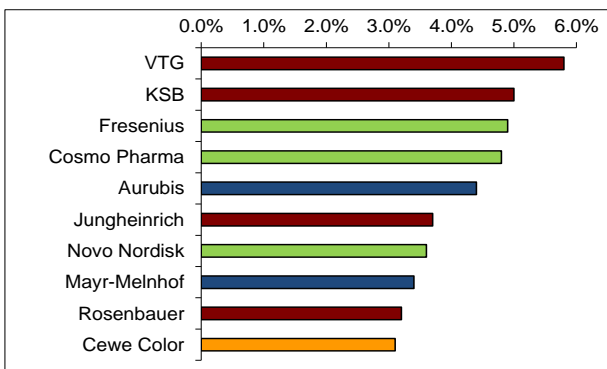
## Breakdown by Sectors

Industrials	25.4%
Consumer Disc.	10.4%
Consumer Staples	5.8%
Financials	7.3%
Telecommunication	2.5%
Health Care	15.4%
Energy	0.0%
Basic Materials	16.2%
Technology	5.6%
Utilities	2.2%
Cash	9.2%

## Exposure

Long Positions:	90.8%
Hedge Positions:	8.7%
Net Position:	82.1%
Absolute Position:	99.5%

## Largest Positions



## Breakdown by Currencies

EUR	84.1%	CHF	9.7%
GBP	0.0%	USD	0.7%
NOK	1.9%	DKK	3.6%

## Distributions

22.03.2010	Dividend	EUR 1.97
12.03.2013	Dividend	EUR 2.00
18.03.2015	Dividend	EUR 1.40

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